



OFFICE OF PUBLIC INSTRUCTION

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Denise Juneau
Superintendent

April 14, 2009

To: Superintendents, Business Managers/Clerks and County Treasurers and County Superintendents

From: Rebecca Phillips, Auditor

Regarding: Accounting for Impact Aid America Recovery & Reinvestment Act Money

The American Recovery and Reinvestment Act of 2009 (ARRA) provides \$100 million in new funding for Impact Aid construction under section 8007 of Title VIII of the Elementary and Secondary Education Act of 1965. The U.S. Department of Education (USDE) distributed the **Impact Aid, School Construction Formula Grant, 8007, ARRA, 84.404A** to 28 Montana school districts last week. Following is guidance for accounting for these funds.

The grant should be deposited in Miscellaneous Programs Fund 15 using revenue source code 7600. Expenditures should be tracked using expenditure program code 760.

The revenue and expenditure codes for this grant are shown below:

	<u>Revenue</u>	<u>Exp.Program</u>
Impact Aid, School Construction Formula Grant 8007, ARRA	7600	760

Level/Fund:

115 – Elementary Misc Programs Fund (15)
215 – High School Misc Programs Fund (15)
215 – K-12 Misc Programs Fund (15)

Revenue Account Structure:

<u>Level/Fund</u>	<u>Revenue Source</u>	<u>Project Reporter</u>
_15	7600	XXX (Assigned by District)

Expenditure Account Structure:

<u>Level/Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Project Reporter</u>
_15	760	XXXX	XXX	XXX (Assigned by District)

Funds provided under section 8007 may be used for elementary and secondary school construction activities, including the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and inspecting and supervising the construction of school facilities. These Formula grants may also be used for debt service if a school district has obligated or committed these

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funds during the period available. These funds remain available for obligation through September 30, 2011.

In addition, section 1602 of the ARRA specifies that in using these grant funds for infrastructure investment (such as renovation, modernization, or construction of public school facilities), recipients must give preference to activities that can be started and completed expeditiously, with a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after February 17, 2009. Also recipients must use these funds in a manner that maximizes job creation and economic benefit. Davis Bacon wage requirements apply to these funds.

There are new reporting requirements that will incorporate project descriptions, fiscal accountability, and job creation and preservation data. The USDE will require quarterly reports from grantees beginning later this year and is working with other agencies of the Federal Government to develop a system for this purpose. In addition, under the “buy American” provision in section 1605 of the ARRA, grantees must use iron, steel, and manufactured goods that are produced in the United States for their projects.

For more information see the guidance at the following links
<http://www.ed.gov/policy/gen/leg/recovery/guidance/impactaid.pdf>
<http://www.ed.gov/policy/gen/leg/recovery/factsheet/impactaid.html>

Award amounts can be viewed at the following link:
<http://www.ed.gov/programs/8007a/arra-8007a-awards.pdf>

If you have program questions, please contact Adam Anfinson at 444- 4524 or aanfinson@mt.gov . If you have accounting questions please contact me at 444-0783 or rphillips2@mt.gov .